

# FOUR SEASONS BEER DIST., INC.

## Iron Mountain, MI & Aurora, WI

12/11/2007

To Whom It May Concern:

Since we are located on the Michigan-Wisconsin border, we are out of sight and out of mind for most people in Lansing, but the deposit issue is completely out-of-control up here. We have people bringing cans and bottles into our area from as far away as Green Bay and Madison. The one label fits all is bad enough, (i.e.) Corona, but the reverse vending machines only read the UPC codes. They don't care if it's a Michigan deposit container or not, they still pay out ten cents. By the end of the year, we will have over-redeemed more than two-hundred thousand dollars. In 2004, we were under-redeemed thirty-three thousand dollars. This is a dramatic and alarming change in just a few years. When you add in the additional costs of collecting and recycling all these illegal containers, plus, the cost of money associated with these advanced payments, it is a significant financial burden on our company.

We are a family run business with fifty employees, bleeding this kind of money hurts each one of them. No matter how you try to rationalize it, this is a good intention gone bad. The original concept of cleaning up the environment was and is a noble undertaking, but things being as tough as they are right now, people are beating the system, and this is the result.

As I watch pickup loads of containers cross the border, and law enforcement that won't or can't do anything about it, solutions seem few and far between. Will brewers stop making multi-state labels for there slower moving brands? Will reverse vending machines ever be able to tell the difference between deposit and non-deposit containers? All I know is that the state and wholesalers are losing millions. I appreciate the time you are taking to look into this matter. The problem is not going away, I believe all of us working together can solve it, but we must face it head on.

Sincerely,

Joe Smeester